

## Message Text

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PAGE 01 REYKJA 01591 262118Z

60

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

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SIL-01 /071 W

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R 261800Z NOV 74

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 5014

INFO CINCLANT

COMICEDEFOR

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

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E.O. 11652: N/A

TAGS: PINT IC

SUBJECT: PEOPLES ALLIANCE CONVENTION URGED TO SUPPLANT SDP

REF: REYKJAVIK 1436, 1569

1. COMMUNIST-DOMINATED PEOPLES ALLIANCE TRIENNIAL NATIONAL CONVENTION NOVEMBER 21-24 PREVIEWED POSSIBLE EFFORT BY PA TO ESTABLISH CREDENTIALS AS SOCIAL DEMOCRATIC PARTY ON WESTERN EUROPEAN MODEL WITH IMMEDIATE GOAL OF SUPPLANTING ICELAND'S EXISTING SDP AND BECOME SOLE REPRESENTATIVE OF COUNTRY'S SOCIALISTS AND LABOR MOVEMENT. CONVENTION ALSO REELECTED PA CHAIRMAN RAGNAR ARNALDS AND OTHER TOP PARTY LEADERS, BUT DROPPED VICE PRESIDENT OF ICELANDIC FEDERATION OF LABOR FROM CENTRAL COMMITTEE.

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PAGE 02 REYKJA 01591 262118Z

2. PARTY GOALS AND PHILOSOPHY WERE OUTLINED IN KEYNOTE SPEECH BY

CHAIRMAN ARNALDS, WHO SAID MAIN TASK OF CONVENTION WAS TO DRAW LESSON FROM RECENT POLITICAL DEVELOPMENTS, ESPECIALLY PA'S PARTICIPATION IN 1971-74 GOVERNMENT, WITH OBJECT OF MAKING PA LEADING PARTY IN NEXT LEFTIST COALITION. SPECIFICALLY, ARNALDS TOOK AIM AT ICELAND'S SOCIAL DEMOCRATIC PARTY, WHICH HE SAID IS "DYING," AND CALLED ON PA TO FILL GAP THAT SDP WOULD LEAVE. WHILE THIS WOULD NOT ENTAIL ANY SHIFT TO RIGHT BY PA, ACCORDING TO ARNALDS, HE WENT ON TO STRESS THAT THIS PARTY "COMPLETELY REJECTED" IDEA OF POLITICAL TIES WITH COMMUNIST PARTY OF USSR OR WITH CP'S IN SOCIALIST COUNTRIES THAT DO NOT FOLLOW INDEPENDENT FOREIGN POLICY. ARNALDS NOTED THAT PA TURNED DOWN INVITATION TO SEND REPRESENTATIVES TO INTERNATIONAL MEETING OF EUROPEAN COMMUNIST PARTIES WHILE, ON OTHER HAND, PA DOES MAINTAIN TIES WITH VARIOUS SOCIALIST PARTIES IN WESTERN EUROPE, PARTICULARLY IN SCANDINAVIA. HE SAID PA RESERVES RIGHT TO ISSUE "HARSH CRITICISM" OF DEVELOPMENTS IN SOCIALIST COUNTRIES, BUT HE WARNED AGAINST ADOPTING "HYSTERICAL" ANTI-SOVIET, ANTI-COMMUNIST POSITION THAT HAS CHARACTERIZED SOME SOCIAL DEMOCRATIC PARTIES. ARNALDS WENT ON TO EMPHASIZE PA'S INTEREST IN LABOR MOVEMENT WHERE BATTLE FOR SUPPORT BETWEEN PA AND SDP WILL BE PRIMARILY FOUGHT.

3. MAIN PROCEDURAL BUSINESS OF CONVENTION WAS ELECTION OF PA OFFICERS. CHAIRMAN ARNALDS, VICE CHAIRMAN ADDA BARA SIGFUSDOTTIR, AND SECRETARY JON SNORRI THORLEIFSSON WERE ONLY CANDIDATES FOR RESPECTIVE OFFICES AND WERE ALL REELECTED. WRITE-IN VOTES WERE DECLARED INVALID. CHOICE OF CHAIRMAN HAD BEEN IN SOME DOUBT (REFTELS) WITH ARNALDS WIDELY REPORTED FOR A TIME ON WAY OUT. HIS REELECTION TO THIRD TERM APPEARS, AS WAS CASE IN PAST, TO REFLECT COMPROMISE AMONG REAL PARTY POWERS, CHIEFLY MAGNUS KJARTANSSON AND LUDVIG JOSEFSSON, AND PERHAPS UNSUCCESSFUL LEADERSHIP BID BY ONE OR BOTH OF LATTER. ALTHOUGH PRESS WAS BARRED FROM MOST OF CONVENTION AND NO HINT OF POWER STRUGGLE OR ARNALDS' POSSIBLE DISPLACEMENT APPEARED PUBLICLY FROM PA SOURCES, FACT THAT ARNALDS GOT LESS VOTES THAN SIGFUSDOTTIR OR THORLEIFSSON -- 146 TO 179 AND 161 RESPECTIVELY OUT OF UNDISCLOSED NUMBER CAST -- TENDS TO SUBSTANTIATE REPORTS OF FIGHT FOR LEADERSHIP.

4. APPARENT DISAGREEMENT ALSO SURFACED AT CONVENTION OVER PLANS BY UNION CARBIDE TO BUILD FERRO-SILICON PLANT IN ICELAND. MAGNUS KJARTANSSON WHO, AS MINISTER OF INDUSTRIES IN LAST GOVERNMENT LIMITED OFFICIAL USE

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PAGE 03 REYKJA 01591 262118Z

HAD NEGOTIATED FOR PROJECT, REPORTEDLY CAME UNDER FIRE AT MEETING FOR HIS ACTION. CONVENTION ULTIMATELY VOTED RESOLUTION WHICH KJARTANSSON SUPPORTED, CALLING FOR PRESERVATION OF ICELAND'S RESOURCES AND WARNING AGAINST EFFORTS TO ALLOW FOREIGN FIRMS TO ESTABLISH IN COUNTRY.

5. ANOTHER SPLIT, ACCORDING TO INDEPENDENCE PARTY'S DAILY MORGUNBLADID, OCCURED AT CONVENTION BETWEEN RURAL AND REYKJAVIK

DELEGATES OVER PA'S CENTRAL COMMITTEE MEMBERSHIP. AS RESULT, SNORRI JONSSON OF REYKJAVIK, VICE CHAIRMAN OF ICELANDIC FEDERATION OF LABOR, LOST SEAT ON COMMITTEE TO RURAL REPRESENTATIVE. ORGANIZED LABOR, HOWEVER, REMAINS WELL REPRESENTED IN PA LEADERSHIP BY SUCH AS PARTY SECRETARY THORLEIFSSON, MEMBER OF IFL EXECUTIVE BOARD AND CARPENTERS UNION PRESIDENT, AND EDVARD SIGURDSSON, PA CENTRAL COMMITTEE MEMBER WHO IS ALSO ON IFL EXECUTIVE BOARD AND PRESIDENT OF POWERFUL REYKJAVIK UNSKILLED WORKERS UNION.

6. CONVENTION ALSO ANNOUNCED COMPLETION OF SEVERAL YEARS' WORK ON PA'S DETAILED POLICY PLATFORM STATEMENT, WHICH WILL BE ISSUED SHORTLY.

7. COMMENT: FROM ALL INDICATIONS, PA HAS SET OUT TO BLUR DISTINCTION IN VOTERS' MINDS BETWEEN IT AND EUROPEAN SOCIALIST PARTIES. IN PARTICULAR, PA WOULD APPARENTLY LIKE TO RID ITSELF OF "COMMUNIST" LABEL WITH WHICH IT IS OFTEN TAGGED IN ICELANDIC POLITICAL ARENA.

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